

SMARA UPDATE

The Quarterly Newsletter of the Department of Conservation, Office of Mine Reclamation

James S. Pompy Named to Head OMR

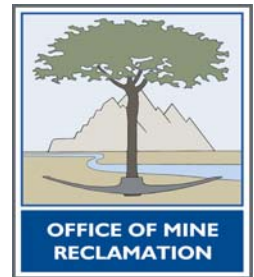


More than 25 years of experience in the mine reclamation industry made James (Jim) Pompy an obvious choice for the position of Assistant Director of the Office of Mine Reclamation (OMR). "Jim brings a wealth of mining and natural resources experience and an incredible knowledge of the Surface Mining and Reclamation Act (SMARA)," said DOC Acting Director **Derek Chernow**. "He also provides solid continuity, leadership skills, and a desire to train OMR staff and stakeholders." Or as Jim

puts it: "I've been in the mine reclamation industry for so long that they finally made me the chief of the unit. I was the last man standing."

Jim grew up in Wyoming, where his first job was with the Lucky Mc open pit uranium mine in the Gas Hills near Riverton. There, he was responsible for long- and short-range planning and design of open pits as well as a life-of-mine reclamation strategy. He worked in Denver for Golder Associates as a consultant to the mining industry. Later, he joined Getty Oil Company's Mineral Division in Houston where he performed computer-based ore body modeling and developed ore reserve calculations for Getty's mining properties.

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OMR Launches New SMARA Annual Inspection Workshops

April 5 and 6 marked the launching of OMR's new SMARA Annual Inspection Workshop. The day-and-a-half workshop was held in Whitewater, in Riverside County, 17 miles north of Palm Springs.

The first day was spent in a classroom setting in the restored lodge at the scenic Whitewater Preserve. The Whitewater Preserve, formerly a trout farm, is owned and managed by The Wildlands Conservancy (TWC), California's largest nonprofit landowner. TWC purchases and restores landscapes and provides free environmental education programs. OMR used the excellent and beautiful facilities at the Whitewater Preserve to hold one of its regular SMARA workshops in 2009.



The workshop was held inside Whitewater Preserve lodge. During breaks, participants were treated to views of desert bighorn sheep high above in the steep cliffs.

Several speakers from OMR and the State Mining and Geology Board (SMGB) gave presentations on a variety of topics related to the requirements and procedures for conducting annual inspections of surface mines in accordance with the Surface Mining and Reclamation Act (SMARA). Participants included lead agency staff and consultants who are responsible for conducting annual inspections. Each person received a workbook folder, a CD of reference materials, and a certificate of completion.



Stephen Testa, Executive Officer SMGB, discusses mine inspection procedures followed when the Board serves as a lead agency.

Day 2 was spent in the field at the nearby Whitewater Pit. Located down the canyon of the Whitewater River from the preserve just off Highway 10, the Whitewater Pit is an inactive sand and gravel mine, covering approximately 132 acres. Recently, the mine was purchased by the Metropolitan Water District of Southern California, and a new reclamation plan is being developed to close out the mine and improve the hydrological function and habitat quality of the river channel.

After being shuttled from the preserve to the mine site, the 25 participants were given hard hats and safety

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(Annual Inspection Workshops - continued from previous page)

vests and split into two groups. One group followed the OMR botanists, and the other was guided by OMR geologists. After an hour and a half, the groups switched places. OMR staff demonstrated techniques for measuring the success of revegetation, measuring slope angles, mapping mine boundaries, evaluating erosional features, and commenting on various problems encountered during an actual inspection. The field exercises allowed workshop participants to get a real feeling for the methods used to conduct inspections, the types of things to look for, and how to correctly complete the annual inspection report form (MRRC-1). As one attendee put it, "Nothing cements the information like seeing it in person."

Special thanks to: The Wildland Conservancy's Whitewater Preserve and the Metropolitan Water District of Southern California. Without the use of these two fabulous sites, located less than five miles apart, the workshop would not have been such a success.

Watch OMR's Web site for dates of locations of more inspection workshops in the near future at:

<http://www.conservation.ca.gov/omr/workshops/Pages/index.aspx>

Leah Gardner
Staff Environmental Scientist



OMR botanist Beth Hendrickson instructs workshop participants on methods of measuring revegetation success at the Whitewater Pit.

Upcoming SMARA Workshops Offered

OMR will offer a two-day SMARA workshop on October 25 and 26 in Redding. The workshops are, "Preparation and Review of Reclamation Plans," by the Reclamation Unit, and "Reporting and Compliance Training," offered by the Reporting and Compliance Unit. You may attend either or both days of these FREE classes. Please visit our Web site at:

<http://www.conservation.ca.gov/omr/workshops/Pages/index.aspx> or call (916) 323-9198 for registration information.

(Pompy Named Head of OMR - continued from front page)

“There was much more demand for mining engineers (in the 1980s),” he said. “The oil companies were making so much money and with all this extra cash they were all going into the mining business. Of course it all crashed about five years later.”

That’s when Jim decided to earn a master’s degree in business administration at Rice University in Houston. Soon thereafter, he was hired as a Senior Mining Engineer with the Department of Conservation’s Division of Mines and Geology (now the California Geological Survey). Well-educated, Jim also holds a bachelor’s of science degree in biology and a master’s in mining engineering.

Jim has retired twice and keeps coming back for more. Now that he is back for the second time and running the show in OMR, he has a lot of work to do. Some of his priorities include focusing more on SMARA enforcement, establishing internal business processes, and developing a good working relationship with industry.

Pompy encourages OMR staff members, to step up their game. “I really want staff to develop professionally,” he said. “It’s important not only in the mining reclamation industry, but any profession. I encourage my staff to join professional organizations, publish and present papers, and network in their respective areas of profession. The only way to develop as a professional is to do these things.”

Jim practices what he preaches, too. His resume’ boasts numerous professional publications on subjects such as SMARA, mine reclamation, and backfilling of open-pit metallic mines. He has also taught several seminars and workshops during his 12-year affiliation with the University of California-Davis Extension Program.

In his spare time, he collects fine mineral specimens. He purchased an outstanding green-tinted cluster of quartz crystal while visiting the legendary marble mountains near Da Nang, where monks reputedly guarded the treasures of Vietnamese warlords in olden times and where the Viet Cong hid from American bombs in the ‘60s.

Pompy also enjoys hiking, “birding” (bird-watching), and fine wines. He is now able to identify most of the local species of birds by sight and call alone. His new corner perch on the 9th floor should afford him some nice views of local birds as he tries not to go cuckoo while leading OMR’s efforts to mind the mines.

Krista Jaenicke, Assistant Information Officer
Department of Conservation, Public Affairs Office

Mines and Renewable Energy: A Growing Trend

Mark West Quarry in Sonoma County made history this spring when it “flipped the switch” from fossil fuel to renewable energy and became the world’s first quarry to be 100 percent powered by solar energy. To celebrate the occasion, the quarry operator, BoDean Company, hosted a “Flip the Switch” event and invited 200 guests to tour the facilities and enjoy a gourmet lunch and commemorative speeches.

The electricity needed to run the quarry’s crushing and conveying equipment and an on-site wash plant costs the company an average of \$25,000 per month. Power from the panels will pay for itself in 7 years.

The quarry was acquired in 1989 by the BoDean Company, named after husband and wife team Dean and Bo Soiland. Dean grew up in the mining business, and his father and several siblings run another mine nearby. The 90-acre Mark West Quarry produces a diverse product line of concrete, asphalt, and aggregate materials to supply the greater Santa Rosa-Napa region. The company is dedicated to eco-friendly business practices and good land stewardship so going solar was the next logical step in keeping with their green philosophy.

However, the hilly terrain at the mine, located in the mountains between Santa Rosa and Calistoga, posed challenges to the placement of a photovoltaic array. BoDean, striving to make use of its limited space, sought out a contractor willing to meet the challenge of placing the 3,444 solar panels on a steep reclaimed south-facing slope.

The contractor, Stellar Energy, utilized a Terrafix screw-mounted racking system to solve this problem. They also installed an automatic sprinkler system to keep the photovoltaic panels clean. The construction time for the project took five months. The contractor also helped BoDean procure federal grants and Pacific Gas and Electric (PG&E) rebates to help offset the costs of the \$3 million undertaking.



Derek Chernow, Department of Conservation's Acting Director, gives a congratulatory speech, acknowledging the company for its innovative sustainable practices, during the “Flip the Switch” Solar Event at Mark West Quarry on May 11, 2011.

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(Renewable Energy - continued from previous page)

This may be the first, but it won't be the last...

Interest is growing in powering mines with solar, wind, and other alternative sources of energy, both in California and around the world. Teichert Aggregates installed a wind turbine generator to provide 20 percent of its electricity needs for its operation in San Joaquin County last year, and Granite Construction plans to install a solar array to generate power on the floor of a 60-acre pit near Palmdale this year. Several solar companies are competing to put installations in Chile's Atacama Desert to supply power to the region's 15 large copper mines.

Closed and abandoned mines are also drawing attention as suitable sites for large-scale solar and wind installations. The Federal Bureau of Land Management and the Environmental Protection Agency are both studying the potential of placing renewable energy plants on disturbed lands, including mined lands. These projects could be less expensive and complicated to permit compared to those occupying large tracts of undisturbed habitat and paying the associated mitigation fees for impacts to endangered species such as the desert tortoise.



According to Stellar Energy, the contractor that designed and installed BoDean's system, the solar panels on the south-facing slope above Mark West Quarry will generate 1,165,000 kilowatt hours of green energy per year, the equivalent of the power needed to supply 160 U.S. homes.

Farther afield, wind turbines are generating electricity on former mine sites in Tennessee and Pennsylvania. The Jamaican government wants to turn several of its old open-pit bauxite mines into solar energy sites. England's largest mining company, UK Coal, recently announced plans to turn 14 of its former mines into wind farms.

Alternative energy generation is a trend that is rapidly gaining momentum, and both active and closed mines will continue to take advantage of the many opportunities solar and wind power have to offer.

Leah Gardner
Staff Environmental Scientist

Financial Assurance Cost Estimates

This article introduces new and upcoming features on the Office of Mine Reclamation (OMR) Web site that will aid those who are learning the process of creating and submitting a cost estimate and aid those wishing for assurance of cost estimate receipt by OMR. New Web site cost estimate assistance includes:

- A downloadable Excel version of the State Mining and Geology Board's (SMGB) cost estimating form Appendix A-1 (available now)
- An example of a 'simple' cost estimate (available soon)
- An updated list of received cost estimates with the date received by OMR (available soon)

A detailed explanation of this process remains available on the SMGB Web site. The download link for the new Excel file can be found by choosing the "Financial Assurances" link on OMR's home page, then scroll to mid-page to the paragraph that mentions Appendix A-1. This estimating form is also known as form OMR-23. This new material is intended to complement the SMGB Financial Assurance Guidelines. If a conflict is found, the Guidelines, the Surface Mining and Reclamation Act (SMARA) and the associated regulations beginning at Cal. Code Regs. tit. 14, Section 3500 et seq., take precedence over information found in this article.

Basics of submitting an 'approvable' cost estimate

The regulations at Section 3804(c) say an estimate of the cost to reclaim a mine site from its current condition (cost estimate) (including anticipated mining disturbance for the coming year) must be submitted to the lead agency for review annually. The operator's cover letter should include a discussion of the reclamation plan requirements and the operator's plan to meet those requirements. If the submittal is a reduction from the previous cost estimate, it should also include an explanation for the reduction. If successful reclamation is being claimed, then California Code of Regulations 3805.5 should be followed. Once the lead agency determines the cost estimate is adequate for the lead agency or the Department to complete reclamation pursuant to the reclamation plan, forward to OMR.

The cost estimate itself is not required to be on the form Appendix A-1. However, it must be organized in a way that ensures all cost items have a place for entry and is straightforward. Using the SMGB recommended Appendix A-1 is a good way to accomplish this. Every item of reclamation work (cost item) must be included somewhere within the cost estimate. This means that even though moving large quantities of earth can often be estimated in only a few lines, a large reclamation project could potentially also include many hundreds of smaller individual cost items. Breaking a project down into small individual items of work is the best way to make an accurate estimate of a large, complicated job. Occasionally, lump sum prices based on units of area can be utilized but they must have been obtained from a reputable publication, or other means must be used to demonstrate to the reviewer that it is valid.

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California and Nevada to Co-sponsor 2011 National Association of Abandoned Mine Lands Conference

The California Department of Conservation Office of Mine Reclamation Abandoned Mine Lands Program is proud to announce the joint sponsorship, along with its counterpart in the State of Nevada, of the 33rd Annual National Association of Abandoned Mine Land Programs (NAAMLPL) Conference. The conference, will be held on October 9-12, 2011, at Squaw Valley USA (Olympic Valley, California). The NAAMLPL (<http://naamlp.net/>) was established in 1995 to provide a forum to address current issues, discuss common problems, and share new technologies about reclamation of abandoned mine lands. The 2011 annual conference provides a tremendous opportunity to show the nation the unique issues at abandoned mines in California, Nevada, and other western states.



The theme for the 2011 Conference is, "The Gold and Silver States: The Legacy of Mines that Built the West." The organizations are jointly excited about sharing our western mining heritage (and legacy) with everyone as the Gold and Silver Rushes were of such significant national importance to the growth and development of our Nation. Many remnants of this mining legacy may be seen during field excursions during the conference. Some examples of the field excursions are:

- Virginia City, NV
- Yerington Mine Site (Superfund)
- Coeur Rochester Silver Mine
- Malakoff Diggings
- Empire Mine
- Marshall Gold Discovery
- Gold Bug and Priest Mines
- Spenceville Mine

Conference information can be found at http://naamlp.net/2011_conference/main.html. The Web site contains useful information on examples of the topical discussions, guided tours, activities, presentations, and exhibitor/sponsor information for the conference. Agencies, organizations, and businesses interested in sponsoring, exhibiting, and participating in this exciting opportunity can obtain more information by contacting Stephen L. Jenkins, Manager of the California Abandoned Mine Lands Program, at Steve.Jenkins@conservation.ca.gov.

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Sponsorship levels are:

- **Platinum Sponsors (Total Sponsorship of \$4,000 or Above)**
Half page advertisement in the conference program.
Registration for two (2) people to attend the 2011 NAAML P Conference including reserved seating for two (2) at the NAAML P Awards Banquet.
4' x 8' space in the exhibition area.
Poster-size advertisement at appropriate venues.
- **Gold Sponsors (Total Sponsorship of \$2,500 or Above)**
Quarter page advertisement in the conference program.
Two (2) tickets to the NAAML P Awards banquet.
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- **Silver Sponsors (Total Sponsorship of \$1,500 or Above)**
Business card advertisement in the conference program.
One (1) ticket to the NAAML P Awards banquet.
Poster-size advertisement at appropriate venues.
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Business card advertisement in the conference program.
- **General Donors (Total Sponsorship of \$100 or Above)**
Line mention in the conference program.

All sponsors will receive appropriate recognition on the conference Web site.

(Financial Assurance Cost Estimates - continued from page 7)

A common error made by operators when preparing a cost estimate is thinking it should represent what it would cost for them to do the reclamation. Instead, the thinking should be, "What will it cost the lead agency or the State to conduct and complete reclamation under the approved reclamation plan?" Where an operator's financial assurance is seized and used for reclamation, it will not be the operator's equipment and personnel doing the work. Aside from that perspective, the "details" may be the single most important required concept to keep in mind. The cost estimate must contain adequate detail. This means including equipment manufacturers, models and hourly costs, and labor categories along with their hourly wage rates, etc. Equipment rates used in the cost estimates must be rates that would be available to any contractor who might be awarded the reclamation contract. If verification of available rates is difficult, then rates may simply be drawn from the Caltrans 'Labor Surcharge and Equipment Rental Rates' online guide. For wage rates, the amount of financial assurance must be adequate for the State to hire a contractor to perform the reclamation. Since the State normally requires prevailing wages be paid by contractors when doing work for the State, Department of Industrial Relations prevailing wage rates must be used in a cost estimate if it is to be adequate for the State to perform the reclamation. For materials and supplies, if prices are used that are not easily verified by the reviewer, or otherwise questionable, then a quotation from a supplier who normally works in that business must be included. Quotation requirements are found in the SMGB guidelines. Including quotations from subcontractors for a portion of the work is fine, but the requirement for adequate detail applies to these also.

The cost estimate should be divided into multiple categories, the number of which depends on size and complexity of the reclamation. Each category should include a description of that category's required work along with how it will be accomplished. Adequate explanation should be provided to enable the reviewer to understand how each of the listed cost items fits into the overall work plan.

Finally, indirect costs (markups) must be included in the cost estimate. Once again, what would a third-party contractor include if bidding on this work? Markups for supervision, profit/overhead, contingencies, and mobilization would normally be included in a contractor's bid. The SMGB format of including these markups as independent cost items together on the final page aids the reviewer in his/her effort to see that they are indeed included. Guidance for determining these costs is also available in the SMGB guidelines. Additionally, SMARA requires an amount be included to cover the Lead Agency Administrative Cost of managing the entire reclamation project, whether this responsibility falls to the lead agency or the Department of Conservation.

In brief, mine operators must annually submit a detailed estimate of what it would cost the lead agency or the State to conduct and complete reclamation under the currently approved reclamation plan. The local lead agency will then be able to appropriately approve current financial assurances for that operation.

Arthur Reed
Engineering Geologist

Executive Officer's Report

As a new regular feature, Stephen Testa, Executive Officer of the State Mining and Geology Board (SMGB), will report on what has been happening at SMGB meetings, beginning with the June 2011 meeting. For more details on a specific agenda item, please refer to the Executive Officer's Report. The Executive Officer's Report can be accessed on the SMGB June agenda Web page: <http://www.conservation.ca.gov/smgb/agendas/Pages/calendar.aspx> for the corresponding agenda item number.

At its June regular business meeting, held in Sacramento, the SMGB took the following action:

Agenda item 5: Approved the final draft agreement between the County of Alpine and the SMGB for the transfer of the County's Surface Mining and Reclamation Act (SMARA) lead agency role to the SMGB. By reaching agreement for a voluntary assumption of lead agency authority by the SMGB, the parties will save considerable time and money which otherwise would be necessary if the administrative takeover process had to be followed.

Agenda item 7: Accepted the Ella and Platter Borrow Sites Mine Closure Inspection Report as complete, and transmitted the findings contained therein to the mine operator, the Department of Conservation, and the County of Yuba, and determined that the Ella and Platter Borrow Sites surface mining operation has been reclaimed and developed for alternate end uses in accordance with the approved reclamation plan, and, pending concurrence by the Department of Conservation, found that it is no longer subject to the requirements of SMARA.

Agenda item 8: Adopted proposed new regulatory language for designation of mineral resources areas of statewide or regional significance for the Bakersfield Production-Consumption Region, County of Kern, California. The re-evaluation and update in CGS Special Report 210 identified 20,193 acres of land containing an estimated 4.4 billion tons of PCC-grade aggregate resources; this includes an additional 2,456 acres of newly identified land.

Agenda item 10: Heard three Administrative Penalty Appeals pursuant to Public Resources Code (PRC) Section 2774.1(c) for failure to submit a Mining Operation Annual Report to the Department of Conservation Office of Mine Reclamation as required by Public Resources Code (PRC) Section 2207. One appeal was upheld; two penalties were reduced.

Agenda item 11: Following up on public comments pertaining to compliance issues related to the Lehigh Southwest Cement Company surface mining operation located in the County of Santa Clara (County), the SMGB heard from the County, public members, and OMR, in regard to oversight of the surface mining operation and any outstanding compliance issues.

Agenda items 13-15: In 2007, the OMR established the Lead Agency Review Team (LART). The LART has completed its lead agency review report for the counties of Alameda and Mono, and the City of Truckee, and provided a synopsis of its review to the SMGB. No action was taken by the SMGB.

Stephen Testa
SMGB Executive Officer

The SMARA Update is a quarterly publication of:

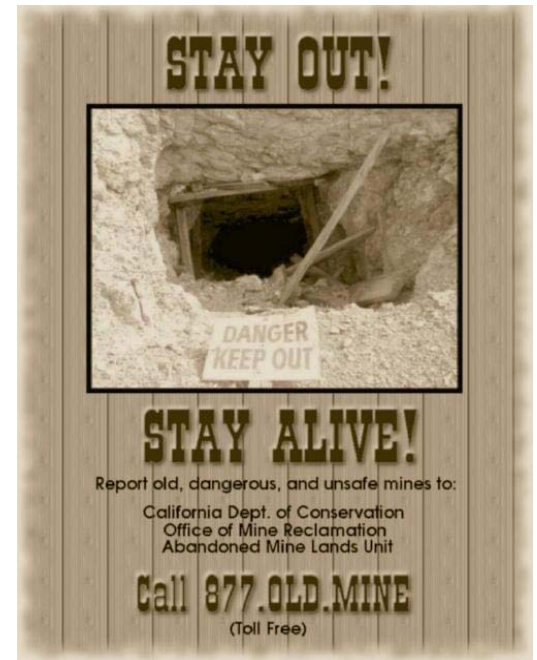
Department of Conservation
Office of Mine Reclamation
801 K Street, Suite 900
Sacramento, CA 95814
(916) 323-9198



Our Web site address is www.conservation.ca.gov/omr

The purpose of this publication is to impart the latest reclamation tips as well as changes in SMARA-related legislation or the interpretation of existing statutes by court decisions.

Acting Director:	Derek Chernow
Assistant Director for OMR:	James S. Pompy
Newsletter Editor:	Dawn James



Nominations Sought for 2011 OMR Excellence in Reclamation Award

OMR is seeking nominations for this year's awards program to recognize excellence in mine reclamation. The award will be presented to the person identified as the "mine operator," or their representative, at the annual conference of the California Construction and Industrial Materials Association (CalCIMA). A panel of judges, composed of members of OMR, the State Mining and Geology Board, and CalCIMA, will select from the projects nominated. OMR will also present a Lead Agency Award to a lead agency that excels with their SMARA programs.

Winners of the awards will be featured in the SMARA Update newsletter and on our Web site. Announcements of award winners will also be forwarded to local newspapers and industry organizations. Mining companies and their employees, SMARA lead agencies, OMR, and members of the general public may nominate a reclamation project for an award. For more information and submission guidelines, visit our Web site at:

<http://www.conservation.ca.gov/omr/Pages/index.aspx>.

OMR - Ensuring mined lands are returned to a beneficial end use after mining.